

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 DODE-00 NSAE-00 USIA-06 TRSE-00 ERDA-05

CIAE-00 COME-00 ISO-00 /032 W

-----071111Z 054029 /13

R 071047Z MAR 77  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 1284  
INFO USMISSION OECD PARIS

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EXCON

E.O. 11652: XGDS-1  
TAGS: ESTC, COCOM, UK, US  
SUBJECT: COCOM CRITERIA

REF: STATE 39772

1. SUMMARY: DURING BILATERAL TALKS ON COCOM CRITERIA, BRITISH STRONGLY SUPPORTED NEED FOR COCOM EMBARGO AND FOR CONTINUATION OF RULE OF UNANIMITY (US VETO POWER). URGED THAT EXCEPTIONS PROCEDURES PERMIT DISCUSSION IN COCOM OF INTERNATIONAL POLITICAL SECURITY CONSIDERATIONS, EXPRESSED DISMAY ON BEING INFORMED THAT US WOULD NOT BE READY TO BEGIN FULL-SCALE LIST REVIEW UNTIL FALL OF 1978 AT THE EARLIEST, AND SUGGESTED THAT TALKS ON EMBARGO AND EXCEPTIONS CRITERIA BE RESUMED IN WASHINGTON IN MAY OR JUNE. END SUMMARY.

2. BRITISH PROVIDED FOLLOWING SUMMARY OF BASIC POINTS THEY MADE AT MEETING:

QUOTE A. THE UK SIDE POINTED OUT THAT THERE WERE PROBLEMS IN THE CURRENT OPERATION OF COCOM. THE PROBLEMS WERE RELATED (A) TO QUESTIONS OF EQUITY -- MANY MEMBERS

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FELT THAT THE US WERE APPLYING THE RULES MORE STRICTLY IN THE CASE OF OTHER COUNTRIES' PROPOSALS THAN IN THE CASE OF THEIR OWN, AND, (B) TO THE NEED TO KEEP BOTH THE LISTS AND THE OPERATION OF THE EMBARGO IN LINE WITH DEVELOPMENTS IN TECHNOLOGY AND IN THE POLITICAL SITUATION. THESE PROBLEMS EXISTED; THEY AFFECTED THE WORKING OF THE ALLIANCE IN THAT THEY SET UP STRAINS AND INCONSISTENCIES

WHICH PUT BOTH THE CREDIBILITY AND EFFICIENCY OF COCOM INTO QUESTION.

(L) THE UK SIDE WELCOMED THE REAFFIRMATION, WHICH THEY WOULD REPORT TO THEIR MINISTERS, BY THE AMERICAN SIDE, THAT IF ANY DOUBT AROSE AS TO WHETHER THE COCOM REGULATIONS WERE BEING APPLIED IN AN EQUITABLE MANNER THEN THE US SIDE WOULD BE GLAD TO RECEIVE DIRECT REPRESENTATIONS FROM THE UK GOVERNMENT.

(2) THE UK SIDE HAD MADE TWO SUGGESTIONS WHICH IN THEIR VIEW WOULD ENABLE THE OPERATION OF THE COCOM MACHINERY TO BE KEPT ABREAST OF POLITICAL AND TECHNOLOGICAL DEVELOPMENTS. THESE PROPOSALS RELATED TO THE STRATEGIC CRITERIA AND THE EXCEPTIONS PROCEDURES. ALTHOUGH THE UK WAS NOT WEDDED TO THE EXACT WORDING OF THEIR PROPOSALS, THEY POINTED OUT THAT THEY REMAINED ON THE TABLE AND COMMANDED THE SUPPORT OF OTHER MEMBERS OF COCOM. THEY WOULD WELCOME US PROPOSALS TO HANDLE THE PROBLEMS DESCRIBED. (THE UK SIDE NOTED WITH INTEREST THE RELEVANCE TO THE STRATEGIC CRITERIA OF THE AMERICAN TEAM'S STATEMENTS REGARDING DEVELOPMENTS IN US THINKING ON THE QUESTION OF TECHNOLOGY EXPORTS IN THE LIGHT OF SUCH REPORTS AS THE BUCY REPORT.)

B. THE UK SIDE NOTED THE GENERAL SIMILARITY OF VIEWS IN THE US AND UK PROPOSALS ON THE HANDLING OF LIST REVIEW PROCEDURES. HOWEVER, THEY VIEWED SERIOUSLY THE AMERICAN TEAM'S STATEMENT THAT THE US WOULD NOT BE PREPARED FOR

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A FULLSCALE LIST REVIEW UNTIL THE AUTUMN OF 1978. THE UK SIDE WOULD REPORT THIS DEVELOPMENT TO THEIR SUPERIORS; THEY SAW ANY SUCH DELAY AS BEING CLOSELY LINKED TO THE NEED TO DEAL WITH THE PROBLEMS WHICH THEIR OWN PROPOSALS ON THE STRATEGIC CRITERIA AND EXCEPTIONS PROCEDURES SET OUT TO SOLVE. UNQUOTE

3. OTHER POINTS DISCUSSED:

(A) BRITISH GAVE FOLLOWING SPECIFIC EXAMPLES TO SUPPORT THEIR PROPOSED "ADVERSE TO SECURITY" FOOTNOTE TO EMBARGO CRITERIA: THREE ITEMS - 1081 AIRFRAMES, 1526 SUBMARINE CABLE, AND 1754 PTFE COVERED WIRE - SHOULD BE REVISED OR DELETED BECAUSE OF BEING OUT OF BALANCE WITH MORE SPECIFIC AND UPDATED 1091 NC MACHINE TOOLS AND 1519 COMMUNICATIONS TERMINAL EQUIPMENT AND

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EUR-12 ERDA-05 ISO-00 /032 W

-----07110Z 054070 /17

R 071047Z MAR 77

FM AMEMBASSY LONDON

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WITH DELETION OF PTFE FROM 1754.

(B) THEY HAVE BEEN INTERPRETING CRITERIA PER THEIR PROPOSED FOOTNOTE FOR MANY YEARS AND THEY DO NOT BELIEVE ITEM-BY-ITEM APPROACH, AS IN EXAMPLES THEY GAVE, ADEQUATELY REFLECTS BROAD INTENT OF THEIR PROPOSAL.

(C) US STATED BELIEF THAT AMENDMENT OF EXCEPTIONS PROCEDURES TO INTRODUCE CONCEPT OF SIGNIFICANT ADVERSE EFFECT ON SECURITY IS UNSOUND BECAUSE FEW INDIVIDUAL TRANSACTIONS WOULD BY THEMSELVES HAVE SUCH EFFECT.

(D) US STATED THAT BASIC PURPOSE OF COCOM IS TO PROTECT SECURITY OF MEMBERS AND EMBARGO CRITERIA ARE CLEARLY INTENDED TO BE CONSISTENT WITH THIS PURPOSE BUT THAT WE SAW NO USEFUL PURPOSE IN AMENDING OR FOOTNOTING THE PRESENT WORDING OF THE CRITERIA TO INCLUDE THE WORD "SECURITY" AND BELIEVE OUR ENERGIES WOULD BE BETTER DEVOTED TO OTHER ISSUES.

(E) UK WISHED TO CONTINUE DISCUSSION OF AMENDING CRITERIA TO INCLUDE "SECURITY" AT BILATERALS IN MAY OR JUNE. US ASKED UK TO GIVE FURTHER THOUGHT TO

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DEVELOPMENT OF SUPPORTING ARGUMENTATION TO PERMIT US TO GRASP WHAT USEFUL PURPOSE WOULD BE SERVED.

(F) ON BEING INFORMED THAT BROAD ISSUES CONCERNING WEST TO EAST TECHNOLOGY TRANSFER WERE UNDER CONSIDERATION IN WASHINGTON, BRITISH STATED PREFERENCE TO POSTPONE DISCUSSION OF THEIR PROPOSALS TO ADD WORDING ON TECHNOLOGICAL GAP TO EMBARGO CRITERIA AND TO EXCEPTIONS PROCEDURES.

(G) BRITISH STATED UNEQUIVOCALLY THAT THEY SUBMITTED TO COCOM ALL CASES INVOLVING TECHNOLOGY RELATED TO EMBARGOED ITEMS, INCLUDING THOSE IN WHICH THERE WAS NO EXPORT OF PRODUCTS. THEY SAID APPARENTLY CONTRARY UK STATEMENT IN REV(68)32 WAS INTENDED TO BE LIMITED TO EASY ACCESS NOTES (WHICH HAVE SINCE BEEN REMOVED FROM LIST). THEY EMPHASIZED ADEQUACY OF THEIR ADMINISTRATIVE MEANS TO CONTROL UNCLASSIFIED TECHNOLOGY EVEN IN ABSENCE OF SPECIFIC LEGISLATIVE AUTHORITY. IF CONSENSUS REACHED ON NEW APPROACH TO STRENGTHEN TECHNOLOGY CONTROLS AND TO RELAX PRODUCT CONTROLS, THEY WERE SURE UK COULD AND WOULD TAKE SUCH STEPS AS MAY BE NEEDED TO CONFORM WITH AGREED CONTROLS ON TECHNOLOGY.

(H) THEY STRESSED NEED TO AMEND EXCEPTION PROCEDURES TO PROVIDE SPECIFICALLY FOR TAKING INTO CONSIDERATION "OTHER FACTORS OR CIRCUMSTANCES WHICH MAY BE RELEVANT," CITING NEED TO RESOLVE SPEY CASE OUTSIDE COCOM BECAUSE INTERNATIONAL POLITICAL CONSIDERATIONS WHICH WERE PERSUASIVE TO SECRETARY KISSINGER COULD NOT BE INTRODUCED IN COCOM AS BEING RELEVANT. THEY DID NOT BELIEVE THAT EXISTING GENERAL PRINCIPLE (D), THAT DOMESTIC FACTORS MIGHT OVERRIDE SECURITY CONSIDERATIONS, WAS RELEVANT TO SPEY CASE.

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(I) THEY SAID THEY DO NOT WANT UNFETTERED EXPORTS AND THEY ARE CONVINCED THAT RULE OF UNANIMITY SHOULD NOT BE RELAXED. THEREFORE, US SHOULD CONTINUE TO HAVE VETO POWER, INCLUDING TAKING ISSUE WITH ASSERTIONS BY OTHERS AS TO "OTHER FACTORS" WHICH WERE RELEVANT. THEY ALSO CONCEDED THAT BROAD POLITICAL CONSIDERATIONS WOULD IN MOST CASES BE NEGOTIATED OUTSIDE OF COCOM BUT FELT THAT THESE CONSIDERATIONS SHOULD BE TAKEN INTO ACCOUNT IN COCOM.

(J) THEY EXPRESSED STRONG AVERSION TO IDEA OF COVERING ONLY A SEGMENT OF LIST IN NEXT REVIEW WITH

OTHER ITEMS BEING PUT OFF UNTIL LATER.

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Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009